

Legislation Follows Hinchey's District-Wide Small Business Tour, Builds on Efforts to Help Small Employers Create Jobs

□ **Washington, DC** - Following a successful small business tour throughout his congressional district, Congressman Maurice Hinchey (D-NY) today voted to help the House pass the Small Business Jobs and Credit Act - a bill designed to boost lending to small businesses struggling to gain access to credit due to the financial crisis. "As I visited with small business owners and employees in places like Johnson City, Kingston and Newburgh, I heard over and over again about the need for improved access to lines of credit and loans," said Hinchey. "Since the financial crisis on Wall Street, many small businesses, even those with near perfect credit ratings, have had a difficult time obtaining the capital they need to make payroll, meet basic operating costs or hire new workers. The legislation I helped pass today is intended to address this issue by creating the Small Business Lending Fund, which bypasses the big banks and provides major incentives to small banks that extend new credit to small businesses." Limited access to capital has been a major impediment to new hiring by small businesses. A recent National Small business Association survey showed that 39 percent of small businesses are still struggling to access credit. According to the National Federation of Independent Businesses, 45 percent of small businesses seeking credit found that their borrowing needs were not satisfied. The Small Business Lending Fund (SBLF) leverages up to \$300 billion in loans for small businesses through a \$30 billion lending fund for small and medium-sized community banks, which focus on lending to small firms. The legislation is fully paid for by closing tax loopholes and will save taxpayers \$1 billion over ten years.

Earlier this week, Hinchey voted to pass the Small Business Jobs Tax Relief Act - a companion bill that eliminates capital gains taxes on small business stock and increases the tax deduction for start-up expenditures. These recent bills follow several other initiatives Hinchey voted for to assist small businesses:

- Health Insurance Reform, enacted March 23, 2010, offers immediate tax credits of up to 35 percent of insurance premiums for over 15,000 small businesses in the congressional district Hinchey represents. The tax credits will increase to a maximum of 50 percent by 2014.
- Hiring Incentives to Restore Employment (HIRE) Act, enacted March 18, 2010, exempts employers from paying the employer share of Social Security employment taxes for wages paid in 2010 for any new employee that was previously unemployed and does not replace another employee. The bill also provides a \$1,000 income tax credit for every new employee that is

employed for 52 weeks and extends the Recovery Act provision that allow small businesses to write-off capital expenditures of up to \$250,000.

- Fiscal Year 2010 Appropriations, enacted 12/16/09, increases funding to revitalize the Small Business Administration and provides \$28 billion in new Small Business Association (SBA) lending.
- Worker, Homeownership & Business Assistance Act, enacted November 6, 2010, extends Recovery Act small business provisions allowing small businesses to use the extended carryback period for a net operating loss incurred in 2008 or 2009.

- American Recovery and Reinvestment Act, enacted February 17, 2010, provided \$76 billion in small business tax credits and incentives to help increase cash flow, reduce debt, spur investments and help create jobs.

- Small Business Financing and Investment Act, passed by the House October 29, 2009, helps small businesses find affordable financing by updating and improving the SBA's capital access programs.

- Job Creation Through Entrepreneurship Act, passed by the House May 20, 2009, for the first time in ten years, strengthens the SBA's Entrepreneurial Development programs, which provide technical and managerial training to small businesses.

"This is about jobs, plain and simple," said Hinchey. "As small employers take advantage of several tax credits in the health care reform bill, the HIRE Act, the American Recovery and Reinvestment Act and other initiatives designed to incentivize new job creation, we are going to continue seeing a restoration of the entrepreneurial spirit, which has consistently driven new job creation in New York and throughout the country."

Hinchey recently conducted a district-wide tour of small businesses, visiting businesses in Johnson City, Kingston and Newburgh. On Monday, June 21, Hinchey will host a round table discussion in Ithaca with 25 area high-tech businesses to discuss how these legislative initiatives are working for small businesses and help identify what additional steps should be taken.